

## Free Electronic Filing

Agency/Program #: 5801-02-11

Division: Info. Tech. and Processing

Program: Info. Tech. and Processing

Agency Name:	Department of Revenue	
Agency Contact:	Larry Finch / Margaret Kauska	3526 / 9535
LFC Contact:	Rep. Sesso and Rep. Taylor	
LFD Liaison:	Greg DeWitt	444-5392
OBPP Liaison:	Mark Bruno	444-4588

## Program or Project Description:

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Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of April 15, 2008
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

## Legislative Goal(s):

Expand Convenient and Cost-Saving Electronic Filing Services for Montana Taxpayers

Make it easier, more convenient and less costly for citizens and businesses to file and pay state taxes, increase efficiency of operations, and provide for a more timely and extensive flow of information to policy makers by expanding electronic filing and payment methods for all state taxes and fees other than property taxes. Specifically, 1) implement and expand free Internet filing opportunities; 2) implement the expanded fed/state e-file program for corporate and other business income tax returns; and 3) in selected areas, provide taxpayers with expanded electronic payment options and file transfer services.

## Legislative Performance Measures :

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## 2009 Biennium Significant Milestones:

		Completion Dates	
		Target	Actual
1	(A) Provide for free Internet filing of mineral royalty withholding annual reconciliation forms by end of calendar year 2008		31-Dec-07
2	(B) Provide for free Internet filing of employer withholding annual reconciliation forms by end of calendar year 2008		31-Dec-07
3	(C) Provide for free Internet filing of individual income tax Form 2M returns and Elderly Homeowner/Renter Credit (2EC) returns (including electronic payment and direct deposit capabilities) by end of calendar year 2008		31-Jan-08
4	(D) Provide for free Internet filing of wine tax returns, and provide wine taxpayers with the ability to view their current account and previous tax return on the web		31-Jan-08
5	(E) Provide for electronic filing of corporation license tax returns under the fed/state modernized e-file program		5-May-08

(F) Provide for electronic filing of returns and other information for all other tax types by mid-year 2009 except for the cases where electronic filing is identified as not being cost effective, feasible or appropriate.

### Agency Performance Report:

- (A) Provide for free Internet filing of mineral royalty withholding annual reconciliation forms by end of calendar year 2008; this was completed in December of 2007.
- (B) Provide for free Internet filing of employer withholding annual reconciliation forms by end of calendar year 2008; this was completed in December of 2007.
- (C) Provide for free Internet filing of individual income tax Form 2M returns and Elderly Homeowner/Renter Credit (2EC) returns (including electronic payment and direct deposit capabilities) by end of calendar year 2008; this was completed in January of 2008.
- (D) Provide for free Internet filing of wine tax returns, and provide wine taxpayers with the ability to view their current account and previous tax return on the web; this was completed in January of 2008.
- (E) Provide for electronic filing of corporation license tax returns under the fed/state modernized e-file program. The federal government paperwork required, including the Memo of Understanding with the IRS, and the registration of our IRIS system with the IRS was completed in November of 2007; the eXtensible Markup Language (XML) development suite needed for implementation of this project was acquired in January, 2008; this project was completed on May 5, 2008.
- (F) Provide for electronic filing of returns and other information for all other tax types by mid-year 2009 except for the cases where electronic filing is identified as not being cost effective, feasible or appropriate.

The current status of the measurements related to the goal:

As noted above, milestones (A) and (B) were completed in December, 2007; milestones (C) and (D) were completed in January, 2008; and milestone (E) was completed in May, 2008.

In other areas, the department has signed a contract with our vendor - FAST Enterprises - to implement the next series of e-services contemplated for our Integrated Revenue Information System (IRIS).

As we move towards implementation of the fed-state modernized e-file program, the department has registered staff for, and begun attending, the required Tax Implementation Group for e-Commerce Requirements Standardization (TIGERS) meetings to facilitate the implementation process.

### LFD Narrative:

LFD ASSESSMENT - On-Track

DATA RELEVANCE - The data received provides a reasonable report to show progress toward the legislative goal

APPROPRIATION STATUS - No appropriation or expenditure information was provided

COMMENTS - Based on information provided, the project appears to be heading toward completion without any unforeseen concerns.

The only area of concern is the statement in milestone F that mentions exceptions for the cases where electronic filing is identified as not being cost effective, feasible, or appropriate.

OPTIONS - Since the project is not fully implemented and proven to result in improved service to the taxpayers, the working group may want to:

1. Receive an update at its October meeting
2. Request clarification about which tax types the agency has identified as not being candidates for electronic filing, due to not being cost effective, feasible, or appropriate
3. Request the agency provide information on how it will measure if the OUTCOMES of the project were attained as mentioned in budget hearings to reduce paper filings and make tax filing easier for taxpayers
4. Direct the agency to provide appropriations and associated expenditures for this activity



Version	Date	Author
June 08 LFD	5/21/2008	G. DeWitt

Change Description
Input agency update into form and added LFD Narrative